

# Certenz: Friend or Foe?

September 2000

It was good to see the two articles on Certenz in the July/Aug issue of Soil & Health as I believe the arrival of Certenz and what it represents has either opened or will force the organic movement to take notice of, a considerable number of cans of worms that have been pushed to the sidelines for some time. I also believe that if we do not have a good level-headed debate, the organic movement will be doing itself a great disservice. I also disagree with parts of both articles and also think that the issues Certenz raises are considerably bigger than the areas the two articles cover. I therefore want to lay some of the issues, as I see them, on the table, and add some, hopefully, valuable comments.

It is not clear that the organic movement is as single minded about Certenz as Valerie's article perhaps suggests. For example, there were a number of conflicting comments on Certenz at the Bio-Gro AGM and speaking to a number of members of the organic community round the country it is apparent that many have not made up their minds about Certenz yet.

The issue of lower vs. higher standards is an old and long debate. There does appear to be general agreement that Certenz standards are 'lower' or 'weaker' overall than Bio-Gro's. However, there are currently no organic standards in the world that fully comply with the internationally agreed IFOAM principles of organics. They have to fall short because the current economic and social environment makes full-blooded organics uneconomic in the majority of situations. I believe the argument that we need "high" standards to be fallacious. I believe we need "optimal" standards that are appropriate for the local current economic, social and environmental conditions. However, if Certenz is successful in gaining producers who successfully export to organic markets in the USA, Europe and Asia it will refute the argument that we need high standards to export to such markets.

An interlude; Christine Dann's concerns about derogations. I disagree and think that the use of derogations can be helpful and note that they are widely used in European standards. Derogations allow the ideal organic standard to be specified, thus making it clear what is expected, but then acknowledge that in the real world this is impossible and allows a lower standard for a set period of time. Bio-Gro allows practices that are not 100% organic (e.g. conventional seeds) with an unwritten understanding that these will be tightened up in the future - a rather vague practice in my view. Derogations are clear cut and when followed are better than unwritten understandings.

I have difficulty understanding Valerie's statement that having another certifier in NZ will lead to 'huge confusion and possibly destroy our organic markets'. A number of other countries, e.g. the USA and European Countries have had multiple certifiers for many years. While it can complicate things, it also helps to moderate standards to some extent as producers can shop around for a standard that will get them the level of market access they need.

This leads on to the issue that Certenz is, as far as I am aware, the first organic certification / auditing agency set up entirely on a profit motive in the world. Of all the issues surrounding Certenz this is a new and important issue which I believe requires serious attention from IFOAM. I think that purely profit motivated organic certifiers will be more responsive to market conditions with more a limited moderating effect from organic philosophy, than existing certifiers. Whether this is a problem or not, I believe is impossible to say with the current lack of in-depth analysis.

On the issue of Certenz auditors having no experience in organics. Organic certification has been moving from interpretative standards to explicit standards for many years. A point is reached when standards are so explicit that they are akin to laws which any qualified person can decide if a something is permitted or not. Explicit standards, however, are more prone to loop-holes than interpretative standards. I believe for organics to succeed in the current economic and auditing environment that organic standards need to be explicit so that any competent auditor can confirm whether a property meets the standards or not. Principals are therefore not required in such explicit standards.

Whether explicit standards and auditing fits in with the organic philosophy is a deep and probably difficult question.

On the related issue that Certenz will audit anyone to any standards. From my perspective as long as purchaser and seller agree on the standard and the auditing process I fail to see what the problem is, as that is exactly what happens with our present system.

I am confused by Meriel's quote about certifying GE crops. Organic auditing is only one section of Certenz's business (much of it is laboratory based chemical analysis), and if organics disappeared or proved unprofitable, then they would continue to audit other agricultural production systems, which may well include GE. So what? If all the people / businesses who are currently involved in organics as well as things that organics is against were no longer allowed to be part of organics we would loose a big section of the movement. Certenz have quite openly stated that they are in it for profit. While some people have a problem with people or businesses making profits, profits are perfectly acceptable to most people and are legal.

If Meriel is saying that if Bio-Gro disappeared then Certenz would lower its organic standards to include GE, I personally doubt it as the organic markets, and international organic regulators would drop them like a hot potato.

Valerie's concerns about "aggressive marketing" also confuse me. Some, maybe many, members of the organic community, including myself, dislike aggressive marketing techniques. However, there are various NZ laws covering what is acceptable marketing and what is not. Some people have claimed that Certenz have made factual errors in their statements and published material - if this is so then they have done something wrong. If they are within the law, they are within their rights, as much as Bio-Gro is within its rights to counter Certenz's claims with its own marketing.

The lack of a levy charge by Certenz for me brings up the issue of an organic producer board with the legal right to charge a levy on all organic producers. If Certenz starts to take a significant proportion of Bio-Gro's licensees due to Certenz not charging a levy (which does make them cheaper than Bio-Gro contrary to Valerie's statement that they cost the same), Bio-Gro may be forced to drop its levy to retain licensees. This would mean the loss of a valuable cash stream to promote organics at a national level. Producer boards are currently not very sexy under current right wing economic thought. I believe that an organic producer board that could charge a levy regardless of who does the auditing, would level the auditing playing field while gathering monies that could be used to promote organics. Whether that is a good idea or not, and whether we are better off with everyone for themselves is bound to be hotly debated.

The issue of ownership of Certenz and its funding is complicated and I have not seen anything that I consider to be an authoritative statement on the issue. AgriQuality, the company that runs the Certenz scheme, was part of MAF, but was turned into a State owned Enterprise (SoE) in November 1998. It is therefore entirely separate from MAF but still state owned. However, as with all SoEs, AgriQuality operate at arms length from the Government, who have limited control over what they do, apart from changing the board and their statement of intent (a-la Timberlands). The claim that Governmental money was therefore used to set up Certenz or write their organic standard is tied up in the SoE Act. While AgriQuality used to be part of MAF which was funded by the Government, AgriQuality are 'forced' by the SoE Act to make a profit. Thus their revenue comes from commercial activities with the surplus returned to the Government as a dividend. Therefore I don't believe that it is possible to definitively state whether the money AgriQuality used to setup the Certenz scheme and write their organic standards was government money or came from their trading activities.

However, I do agree with Seager that Government money should be spent setting up a real national organic standard, and certifying independent bodies, such as Bio-Gro and Certenz, to say they are fully recognised by the Government as organic auditors and standard setters.

In conclusion, I believe that the arrival of Certenz has opened up a number of issues that have not been fully debated and then closed within the organic movement. The profit focused nature of Certenz is completely new for organic auditors / standard setters. The implications of this need thorough analysis and monitoring by the international organic movement. All standards are a compromise between the organic ideal and what is practical. While I agree with Valerie and Christine that there are problems with Certenz standards, Bio-Gro does not come up smelling of roses either. Several postgraduate students at Lincoln have reviewed the Bio-Gro standards and been critical of them, and

the standard review process is a long running bug-bear of mine. The behaviour of Certenz, their profit focus and marketing techniques, may not be everyone's cup of tea, but they have not done anything illegal. While co-operation, rather than competition may be a better way forward for the organic movement it is not the current economic / political reality. Lets debate the issues of, and surrounding Certenz, but with some solid pragmatism, rationality and hard thinking behind it.

Copyright © 2008 Charles N. Merfield.